

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Figueroa/Cunneen Analyst: Jeani Brent Bill Number: AB 1356

Related Bills: See Prior Analysis Telephone: 845-3410 Amended Date: 07/02/98

Attorney: Doug Bramhall

Sponsor:

**SUBJECT:** Research Expenses Credit/Conform Alternative Incremental Credit to Federal Formula

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

☒ DEPARTMENT POSITION CHANGED TO Support.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED March 19, 1998, STILL APPLIES.

☒ OTHER - See comments below.

### SUMMARY OF BILL

This bill would eliminate the provisions that make the state alternative incremental research expenses credit a reduced percentage of the federal credit amount, so that the federal percentages also would apply for state purposes.

### SUMMARY OF AMENDMENT

The July 2, 1998, amendments technically clarifies that written consent of the department is required to revoke an election by the taxpayer for the alternative incremental credit. Except for the position noted below, the department's analysis of the bill as amended March 19, 1998, still applies.

### BOARD POSITION

Support.

At its May 28, 1998, meeting the Franchise Tax Board voted 2-0 to support this bill, with the representative from Department of Finance absent.

#### Board Position:

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<input type="checkbox"/>	SA	<input type="checkbox"/>	O	<input type="checkbox"/>	NAR
<input type="checkbox"/>	N	<input type="checkbox"/>	OUA	<input type="checkbox"/>	PENDING

Department/Legislative Director

Date

Johnnie Lou Rosas

7/27/98